

# Seattle Department of Construction and Inspections

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## Department Overview

The Seattle Department of Construction and Inspections (SDCI) administers City ordinances regulating building construction, the use of land, and housing. It supports key City priorities, including delivering essential City services and building safer, more just communities.

SDCI is responsible for developing and enforcing policies and codes related to public safety, environmental protection, land use, construction and rental housing, including:

- Economic Displacement Relocation Assistance (EDRA) program
- Environmentally Critical Areas Ordinance (ECA)
- Housing and Building Maintenance Code (HBMC)
- Just Cause Eviction Ordinance
- Rental Registration and Inspection Ordinance (RRIO)
- Seattle Building and Residential Codes
- Seattle Condominium and Cooperative Conversion Ordinances
- Seattle Electrical Code
- Seattle Energy Code
- Seattle Grading Code
- Seattle Land Use Code
- Seattle Mechanical Code
- Seattle Noise Ordinance
- Seattle Rental Agreement Regulation Ordinance
- Seattle Shoreline Master Program (SSMP)
- Seattle Tenant Relocation Assistance Ordinance (TRAO)
- Seattle Tree Protection Ordinance
- State Environmental Policy Act (SEPA)
- Stormwater Code
- Side Sewer Code
- Tree Service Provider Registry

SDCI reviews land use and construction-related permits, annually approving more than 53,000 permits and performing approximately 185,000 on-site and 20,000 virtual inspections. SDCI's work includes permit review and community involvement with Master Use Permits (MUPs); shoreline permits and design review; review and approval of permits for construction, mechanical systems, site development, elevators, electrical installation, boilers, furnaces, refrigeration, signs and billboards; field inspections for all construction and trade-related permits; annual maintenance inspections of boilers, elevators, and refrigeration equipment; and home seismic retrofits.

SDCI also enforces compliance with the codes and handles more than 40,000 contacts per year at the Code Compliance Complaint Center.

SDCI operations are funded by a variety of fees and General Fund resources. SDCI must demonstrate that its fees are set to recover no more than the cost of related services. To provide this accountability, SDCI uses cost accounting to measure the full cost of its programs. Each program is allocated a share of departmental administration and other overhead costs to calculate the revenue requirements of the program.

## Seattle Department of Construction and Inspections

### Budget Snapshot

	2022 Actuals	2023 Adopted	2024 Endorsed	2024 Adopted
<b>Department Support</b>				
General Fund Support	10,348,455	10,663,840	9,645,450	11,260,101
Other Funding - Operating	88,966,949	101,139,660	102,456,710	106,407,282
<b>Total Operations</b>	<b>99,315,404</b>	<b>111,803,500</b>	<b>112,102,160</b>	<b>117,667,383</b>
<b>Total Appropriations</b>	<b>99,315,404</b>	<b>111,803,500</b>	<b>112,102,160</b>	<b>117,667,383</b>
 Full-Time Equivalents Total*	 436.50	 474.00	 474.00	 482.00

*\* FTE totals are provided for informational purposes only. Changes in FTEs resulting from City Council or Human Resources Director actions outside of the budget process may not be detailed here*

# Seattle Department of Construction and Inspections

## Incremental Budget Changes

### Seattle Department of Construction and Inspections

	2024 Budget	FTE
<b>Total 2024 Endorsed Budget</b>	<b>112,102,160</b>	<b>474.00</b>
<b>Baseline</b>		
Central Cost Manual Baseline Adjustment	344,159	-
Citywide Adjustments for Standard Cost Changes	2,012,977	-
<b>Proposed Operating</b>		
Economic Displacement Relocation Assistance (EDRA) Staffing	142,109	1.00
Tenant Relocation Assistance Ordinance (TRAO) Expeditor	158,807	1.00
Rental Registrations and Inspections Support	200,000	-
Fee Legislation Revenue Change	-	-
Consultant for Green Buildings	204,000	-
Add Mechanical Inspector	186,291	1.00
Accela Support	200,000	-
Mobile App for Inspections	195,600	-
Add Project Coordinator for Dedicated Contract Management	148,905	1.00
SDCI Space Planning	605,423	-
<b>Proposed Technical</b>		
Ongoing Changes from Current Year Legislation	620,250	4.00
Overhead Technical Adjustment	1	-
Construction and Inspections Fund 2024 Revenue Adjustments	-	-
Fund Balancing Entries	-	-
<b>Council</b>		
Eviction Prevention	-	-
Tenant Work Group Funding	1,000,000	-
SCERS Contribution Rate Change	50,000	-
Fund Balancing Adjustment - Adopted	(503,299)	-
	-	-
<b>Total Incremental Changes</b>	<b>\$5,565,223</b>	<b>8.00</b>
<b>Total 2024 Adopted Budget</b>	<b>\$117,667,383</b>	<b>482.00</b>

## Description of Incremental Budget Changes

# Seattle Department of Construction and Inspections

## Baseline

### **Central Cost Manual Baseline Adjustment**

Expenditures \$344,159

This baseline adjustment aligns SDCI's 2024 baseline budget with the 2023 Adopted Central Cost Manual's 2024 Endorsed Budget amounts. This adjustment is supported by permit fees in SDCI's Construction and Inspections Fund.

### **Citywide Adjustments for Standard Cost Changes**

Expenditures \$2,012,977

Citywide technical adjustments made in the baseline phase reflect changes to internal services costs, including rates from the Department of Finance & Administrative Services, Seattle Information Technology Department, Seattle Department of Human Resources, and for healthcare, retirement, and industrial insurance charges for the department. These adjustments reflect initial assumptions about these costs and inflators early in the budget process.

## Proposed Operating

### **Economic Displacement Relocation Assistance (EDRA) Staffing**

Expenditures \$142,109

Position Allocation 1.00

This action adds ongoing budget and position authority for one Code Compliance Analyst and includes \$2,868 for a one-time technology purchase in 2024. This item, funded by General Fund, increases capacity to meet the higher-than-expected workload from the new Economic Displacement Relocation Assistance (EDRA) program. EDRA provides relocation benefits to qualifying applicants that receive a rent increase of 10% or more. This program, established in July 2022, is experiencing a much higher application rate than anticipated. Appeals and following up on landlord payments also add to the EDRA workload.

The proposed budget funded this item with Payroll Tax. The City Council changed the funding to General Fund.

### **Tenant Relocation Assistance Ordinance (TRAO) Expeditor**

Expenditures \$158,807

Position Allocation 1.00

The Tenant Relocation Assistance Ordinance (TRAO) helps people transition to new housing when their homes are being redeveloped. The TRAO program provides relocation assistance to low-income households and provides all households with time to search for and relocate to new housing. This item adds ongoing budget and a new full-time position to improve internal TRAO processing and customer service for permitted development that includes a TRAO component. This item also includes budget authority for \$2,868 of one-time technology expenses in 2024. This item is funded by a new TRAO fee established in SDCI's permit fee legislation (Ordinance 126935).

### **Rental Registrations and Inspections Support**

Expenditures \$200,000

This action adds ongoing budget authority for a consultant to provide much needed support for Rental Registration and Inspections Ordinance (RRIO) program enforcement. The consultant will provide added capacity for enforcement mailings, customer service, property research, and negotiation. This item is funded by RRIO program fees in SDCI's Construction and Inspections Fund.

# Seattle Department of Construction and Inspections

## Fee Legislation Revenue Change

Revenues \$1,790,412

SDCI's fee legislation (Ordinance 126935) revises most of SDCI's fees and charges beginning on January 1, 2024. The 2024 fee revisions include an inflationary adjustment of 2% and other changes, including a new Tenant Relocation Assistance Ordinance application fee. Some fees, such as Vacant Building Monitoring Program fees and Rental Registration and Inspections Ordinance fees, are adjusted by more than 2% in order to align the fees with current costs. For additional information, please consult Ordinance 126935 and the associated fiscal note.

## Consultant for Green Buildings

Expenditures \$204,000

This action adds one-time budget authority to use revenue from land use penalties to explore changes to green building incentives. Funding will be used to hire a consultant who will create a list of viable strategies and energy efficiency measures, provide cost/benefit analysis of these strategies and measures, estimate carbon emissions reductions associated with each option, and assist with stakeholder outreach. This item is supported by penalty revenues in SDCI's Construction and Inspections Fund.

## Add Mechanical Inspector

Expenditures \$186,291  
Position Allocation 1.00

The adopted budget adds ongoing budget and position authority for one Mechanical Inspector and includes \$37,868 for one-time vehicle and technology purchases in 2024. This new position increases staff capacity and allows SDCI to respond to workload complexity and demand. SDCI's inspections team has seen a consistent increase in Heat Recovery Ventilators (HRV) systems. HRVs are complex and have triggered an increase in noise reviews, mechanical inspections, and an increase in refrigeration inspections. The inspections team currently has six Mechanical Inspectors. Each inspector makes, on average, 15 to 20 inspection stops daily. Each stop can require multiple inspections, especially for multi-family dwellings. Additionally, the capacity for inspector training has been strained due to demand for inspections, and training is critical due to the increasing complexity of regulations and requirements. Vacation time has been accumulating and request approvals must be carefully analyzed to ensure coverage for daily work. This item is supported by permit fees in SDCI's Construction and Inspections Fund.

## Accela Support

Expenditures \$200,000

This item provides additional resources to support SDCI's permitting system (Accela). The additional budget will be used to pay for Accela's Managed Application Services to support ongoing operations and maintenance of the Accela platform and help address the backlog of needed modifications and updates to the permitting system. This item supports several City priorities, including (1) Housing Permitting - Implementing modernized technology will support building critically needed housing faster and provide support to meet the demand of housing permits; (2) Tree Service Provider Registration as required in Ordinance 126554 – This law requires tree service providers to register with the City. This new requirement has put additional demand on the Accela team and has increased the backlog of work. Initial implementation of the tree provider registry has been launched; however, further updates are needed due to Council legislation that was passed in March 2023 (Ordinance 126777) as well as improvements for the tree public notice process and to make enhancements needed based on user feedback; (3) Providing excellent customer service for Accela's 180,000 registered customers who utilize more than 300 different permit and license types. This investment will improve response times to customer problems and streamline the customer experience.

This item is envisioned as a four-year consultant contract for a total cost of \$1.7 million from June 2024 through June 2028. This item is supported by permit fees in SDCI's Construction and Inspections Fund.

# Seattle Department of Construction and Inspections

## Mobile App for Inspections

Expenditures \$195,600

SDCI's inspectors currently perform data entry functions in the office and away from inspection sites. This action adds one-time budget authority in 2024 for the initial discovery phase in the creation of a mobile inspections application. A new mobile app is needed to reduce complexity and redundancy in inspector administrative tasks while significantly increasing efficiency. This item is funded by permit fees in SDCI's Construction and Inspections Fund.

## Add Project Coordinator for Dedicated Contract Management

Expenditures \$148,905

Position Allocation 1.00

This item adds a new Senior Project Fund and Agreements Coordinator and provides much needed support for SDCI's contracts and agreements. SDCI's contracting and accounting needs have increased significantly in recent years due to the establishment of new programs such as the Economic Displacement and Relocation Assistance program, SDCI's initiative to address unreinforced masonry buildings (URMs), the expansion of tenant services contracts, and implementation of the new City Contract Management System in 2022. This item, which includes a \$2,868 one-time technology cost, is supported by permit fees in SDCI's Construction and Inspections Fund.

## SDCI Space Planning

Expenditures \$605,423

This action adds one-time budget authority to redesign two spaces in the Seattle Municipal Tower: the 20th floor Applicant Service Center and the 19th floor hoteling area. These changes are needed to accommodate hybrid work. This item is funded by SDCI's tenant improvements reserve within the Construction and Inspections Fund.

## Proposed Technical

### Ongoing Changes from Current Year Legislation

Expenditures \$620,250

Position Allocation 4.00

The appropriations bill for the tree protection ordinance (Ordinance 126825) added budget and position authority for three positions. In addition, the mid-year supplemental budget (Ordinance 126876) added budget and one position to meet the higher-than-expected workload from the Economic Displacement Relocation Assistance program established in Ordinance 126451 and the late fee limit legislation (Ordinance 126823) that passed Council in May of 2023. This technical item makes these four positions and the associated budget ongoing beginning in 2024.

### Overhead Technical Adjustment

Expenditures

This item adjusts the distribution of indirect overhead expenses across programs in the Seattle Department of Construction and Inspections (SDCI). This adjustment is necessary to account for 2024 budget changes in the following SDCI budget programs: Compliance; Government Policy Safety & Support; Indirect Cost Recovery Offset; Inspections; Land Use Services; Permit Services; and Rental Housing. The adjustment is also necessary to redistribute indirect overhead across SDCI programs in response to budget changes throughout the department. This is a net-zero budget change.

# Seattle Department of Construction and Inspections

## Construction and Inspections Fund 2024 Revenue Adjustments

Revenues \$(10,488,284)

This item adjusts Construction and Inspections Fund revenues to align with the current 2024 revenue forecast. This item does not include revenue changes associated with SDCI's fee changes in Ordinance 126935.

## Fund Balancing Entries

Revenues \$17,238,500

This item is a technical adjustment to balance revenues and expenditures for fund 48100, the Construction and Inspections Fund, which is managed by SDCI.

## Council

### Eviction Prevention

Expenditures

The 2024 Adopted Budget includes \$1 million of one-time General Fund support for rental assistance to be administered in conjunction with eviction prevention legal defense contracts. These funds are for households with an active eviction case in King County Superior Court and supplement SDCI's base budget of \$2.57 million for tenant services contracts.

### Tenant Work Group Funding

Expenditures \$1,000,000

This item adds \$50,000 of one-time General Fund to convene a tenant work group that will develop and recommend strategies to protect the health and well-being of Seattle renters. These funds may be used for language access and tenant stipends.

### SCERS Contribution Rate Change

Expenditures \$50,000

The City's employee retirement system, the Seattle City Employees Retirement System (SCERS), of which most non-uniformed City employees are members, is a defined benefit pension program funded by a combination of salary-based employer (i.e., the City) and employee contributions, and investment earnings.

The employer portion of the SCERS contribution is funded through the annual budget process as a percentage of salaries based on several factors including reports from the contracted actuary and the City's long-range financial forecasts. The Mayor's 2024 Proposed Mid-Biennial Budget included an employer contribution rate of 16.22%, which was determined prior to the actuary's recommendation but provided for long-term "smoothing" given the City's long-term financial challenges.

This item reduces the employer contribution rate from the proposed rate of 16.22% to the SCERS minimum actuarial required rate of 15.17%, which was determined to provide sufficient funding to the retirement system to achieve 100% funded status by 2042.

### Fund Balancing Adjustment - Adopted

Revenues \$(503,299)

## **Seattle Department of Construction and Inspections**

This is a technical adjustment to balance revenue and expenditures for fund 48100, the Construction and Inspections Fund. This entry is necessary to balance the fund due to changes made during the Council phase of the budget process.



# Seattle Department of Construction and Inspections

## 2023-24 Mid-Biennium Adopted Budget Updates - Expenses

Budget Summary Level	Fund	Budget Process Phase Endorsed	Adopted Changes	Grand Total
Compliance	00100 - General Fund	7,972,676	1,572,055	9,544,732
	00164 - Unrestricted Cumulative Reserve Fund	141,613	0	141,613
	14500 - Payroll Expense Tax	455,985	-985	455,000
	30010 - REET I Capital Fund	360,000	0	360,000
	48100 - Construction and Inspections	4,914,595	584,282	5,498,876
<b>Compliance Total</b>		<b>13,844,869</b>	<b>2,155,352</b>	<b>16,000,221</b>
Government Policy, Safety & Support	00100 - General Fund	1,141,069	7,779	1,148,848
	48100 - Construction and Inspections	1,450,813	65,823	1,516,636
<b>Government Policy, Safety &amp; Support Total</b>		<b>2,591,882</b>	<b>73,602</b>	<b>2,665,484</b>
Inspections	00100 - General Fund	250,109	9,504	259,613
	48100 - Construction and Inspections	30,294,350	1,422,076	31,716,426
<b>Inspections Total</b>		<b>30,544,458</b>	<b>1,431,581</b>	<b>31,976,039</b>
Land Use Services	00100 - General Fund	281,596	25,312	306,908
	48100 - Construction and Inspections	24,945,281	1,170,261	26,115,542
<b>Land Use Services Total</b>		<b>25,226,876</b>	<b>1,195,573</b>	<b>26,422,449</b>
Leadership and Administration	00100 - General Fund	0	0	0
	48100 - Construction and Inspections	1,173,600	-1,203,888	-30,288
<b>Leadership and Administration Total</b>		<b>1,173,600</b>	<b>-1,203,888</b>	<b>-30,288</b>
Permit Services	48100 - Construction and Inspections	30,543,292	1,013,578	31,556,870
<b>Permit Services Total</b>		<b>30,543,292</b>	<b>1,013,578</b>	<b>31,556,870</b>
Process Improvements & Technology	48100 - Construction and Inspections	8,177,183	899,425	9,076,608
<b>Process Improvements &amp; Technology Total</b>		<b>8,177,183</b>	<b>899,425</b>	<b>9,076,608</b>
<b>Grand Total</b>		<b>112,102,160</b>	<b>5,565,223</b>	<b>117,667,383</b>